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THE WHITE HOUSE
WASHINGTON
August 3, 1978

The Vice President
Stu Eizenstat
Zbig Brzezinski

The attached is forwarded to you for your information. The original was sent to Bob Lipshutz for appropriate handling by Bob Linder.

Rick Hutcheson



THE CHAIRMAN
OF THE
CIVIL AERONAUTICS BOARD

WASHINGTON, D. C. 20428

August 1, 1978

RL
The President
The White House
Washington, D.C. 20500

Dear Mr. President:

Recent months have seen a marked increase in challenges in the courts to United States actions under Part 213 of the Civil Aeronautics Board's Economic Regulations (14 C.F.R. 213) to resolve disputes with foreign governments in the field of international air transportation. This litigation, though largely unmeritorious, has undermined the Government's ability to respond effectively to the action of the foreign government which gave rise to the dispute. As an active participant in the interagency group charged with carrying out your international aviation policies -- policies that are bringing low-cost travel within the reach of many Americans -- the Board is particularly concerned that this litigation may undermine our effectiveness in fulfilling this responsibility. I am writing to suggest a way to discourage such litigation.

As you know, it is settled United States policy that airline managements should be free to determine for themselves the schedules and equipment they will operate over international routes, with only after-the-fact intergovernmental review through diplomatic consultations if one country is dissatisfied with the operations of the other's carriers. Along with competitive pricing and freedom of entry, operating flexibility is the economic foundation upon which the rest of your aviation policy is built. Many countries, however, routinely require U.S. and other foreign carriers to file schedules in advance and, on occasion, disapprove them. Even though such disapprovals may impinge on the rights of U.S. carriers and their ability to compete effectively, this country for years had no way to take prompt or effective countermeasures against the offending country's carriers. To remedy this, the Board adopted Part 213 in 1970, and the President approved it. Its specific purpose was to arm the United States with an effective retaliatory tool. As the Board said at that time:

"So long as the United States is forced to follow procedures under which retaliatory action is long delayed, foreign governments will not regard the threat of United States retaliation as a serious deterrent. Only by adopting Part 213 can this Government increase the likelihood that other governments will abandon unilateral restrictionism."

Part 213 action can begin, you will recall, only when a foreign government has infringed on a U.S. carrier's rights over this country's objection. Once that has happened, the Board can issue a "Phase I" order requiring a carrier or carriers of the other country to file schedules with us for possible disapproval. If that threat fails to resolve the dispute, the Board can prepare a proposed "Phase II" order disapproving some or all of the foreign carrier's schedules, and submit it to the President for review. The President, in turn, may approve the order by doing nothing within ten days (after which the order is formally issued), or he may disapprove or stay the proposed order within the 10-day period by notifying the Board.

This brings me to the specific problem at hand. There have been two disputes leading to the invocation of Part 213 since you took office, and they have spawned four lawsuits in the past five months. Three grew out of our current dispute with France over its disapproval of Pan American's San Francisco-Paris service with a change of equipment at London, and they are still pending. 1/ They provide an excellent illustration of the problem.

On May 9, the Board issued a Phase I order against Air France and UTA. On the day the French carriers were required to file their schedules, they filed an appeal of the order in the U.S. Court of Appeals in New York, and simultaneously asked the court, pending final disposition of the appeal, to stay the order and to restrain the Board from sending you a Phase II order. While the court of appeals, and later Mr. Justice Marshall, ultimately denied the motion, the court nonetheless granted the relief on an interim basis pending its own and Mr. Justice Marshall's consideration of the motion. The net effect was that the Board was enjoined for almost two weeks (May 18 - May 31) from recommending Phase II action to you. Thus, your freedom of action in the field of foreign policy was restricted for the same period.

1/ The other resulted from Part 213 action in response to Japan's refusal to permit Flying Tiger's inauguration of Tokyo-Singapore service.

The President (3)

Once free of judicial restraint, the Board sent you a proposed Phase II order disapproving Air France's Los Angeles-Paris schedules. After you had indicated your approval by taking no steps to stay or disapprove, the Board issued the order on June 12. This led the French carriers to renew their stay motion in the court of appeals. 2/ After receipt of the Board's written statement of opposition the court denied this request.

In the meantime, diplomatic negotiations continued with the French; these culminated in an agreement, signed on July 11, which provided, among other things, that the parties would submit their dispute to international arbitration, and that the French would permit Pan American to operate a specified number of San Francisco-London-Paris change-of-equipment frequencies during the arbitral process. In return, it committed the United States, and thus the Board, to withdraw the Part 213 orders. This the Board did on the day the agreement was signed.

The ink was barely dry on the agreement when, one day later, Pan American, dissatisfied with the provision agreement relating to its change-of-equipment service, filed suit against the Board in a federal district court in California challenging the withdrawal order and seeking an immediate stay. On the same day the district court declined to rule on the stay request because of the pendency of Air France's appeal in New York, but, without explanation, provided that Pan American could reapply for injunctive relief at some unspecified time in the future.

The next afternoon the scene shifted back to the east coast when Pan American petitioned the court of appeals in New York for review of the withdrawal order and filed a motion to stay it. As in the California suit, it urged that the order was invalid because it was entered without your express approval. 3/ The necessity for such approval, according to Pan American, stems from your tacit approval of the Phase II order. Pan American argues that your approval of the withdrawal order

2/ The stay request was directed at the Phase I order, because the French carriers conceded that your approval deprived the court of jurisdiction to review the second one. But of course the second order was the real target. The theory was that a stay of the Phase I order would indirectly stay the Phase II.

3/ In contrast to the provision of Part 213 dealing with Phase II orders, the one dealing with withdrawal orders does not require advance submission to the President and review by him (14 C.F.R. 213.3(e)). Even in the case of Phase II orders, no express approval is required.

The President (4)

can not be implied from the withdrawal commitment in the arbitration agreement, apparently on the theory that the Department of State had no authority to negotiate and execute the agreement for the Executive Branch.

The court directed the Board to file its written response to Pan American's motion the next day. This our lawyers did, and four days later (July 18), the court heard argument. At the conclusion of the argument, the court denied the motion from the bench. It also established a highly expedited schedule for briefing and argument of the case on the merits.

Our General Counsel considers Pan American's suits in San Francisco and New York frivolous. 4/ So long as those cases remain undecided, however, they will frustrate what would otherwise be a routine dismissal of the Air France appeal, which was, after all, the basic judicial controversy growing out of the Franco-American dispute. 5/ This, I am sure you will agree, is a deplorable state of affairs.

It is clear that some affirmative indication of your approval or endorsement of the withdrawal order would bring these cases (Pan Am's and Air France's) to an immediate conclusion, thereby avoiding further waste of agency and court resources. As desirable as that would be, I would not suggest it if no more were at stake than the defense of the Pan American/Air France litigation. I cannot say that a letter from you is essential to successful defense of those cases. I believe, however, that more is at stake. For that reason I am requesting that you consider writing a letter at this time.

Every court case arising out of Part 213 orders has been accompanied by a request for immediate relief to restrain the Board -- and indirectly the President -- from pursuing a Part 213 response to the foreign government's breach of its international aviation commitments. Whatever the odds, there is always some risk that a court will grant such relief. Indeed, the court did so for two weeks in the Air France case, and as a result the Board was unable even to make a Phase II

4/ As he says the hypertechnical nature of Pan American's case is evident from its concession, during oral argument on its stay request, that some word from the President indicating approval of the withdrawal order, even after the fact, would moot its appeal. In other words, Pan American is urging the court to reverse the withdrawal order on a ground it concedes is no more than a formality.

5/ The withdrawal order clearly moots the Air France appeal from the Phase I order. As long as the question (however frivolous) of the validity of the withdrawal order remains open, however, the court can not dismiss Air France's appeal for mootness.

recommendation to you during that period. 6/ As you know, time is always of the essence in Part 213 cases, and delays of this magnitude can undercut the U.S. Government's negotiating leverage that Part 213 was designed to provide. 7/ What is more, U.S. carriers have inevitably been put at a competitive disadvantage vis-a-vis their foreign counterparts in cases calling for Part 213 action. Delay, of course, serves to aggravate the injury to them.

These considerations apply even when the court has not granted interim relief. There is always some chance, however remote, that a court will set aside the challenged Part 213 action when it finally decides the case on the merits. The very pendency of the lawsuit can, therefore, dilute the deterrent value of Part 213. A foreign government is less likely to move toward a position satisfactory to the United States if it believes there is some chance that a court may yet pull the rug out from under the Part 213 action. As in cases where a temporary injunction causes delay, the U.S. carrier and your own policy of strong competition in international air transportation are the losers.

I believe that the pending Pan American case provides an excellent opportunity for you not just to bring that case to an immediate conclusion, but, more importantly, to discourage this sort of obstruction to your international aviation policies.

As I have explained, Pan American contends that the Board's withdrawal order was an "independent regulatory agency" act contrary to the "presidential intention" manifested by your approval of the Phase II order. Because, however, it was our intergovernmental arbitration agreement with the French that committed the United States to withdraw the Part 213 orders, Pan American's case necessarily rests on the theory that the Department of State's negotiation of the agreement (in which Board representatives participated) was undertaken without Executive authority. 8/

6/ This was not the first time a court has temporarily enjoined further Part 213 action. In 1974, another court did so -- also for two weeks.

7/ The U.S. Court of Appeals in New York has observed that Phase I orders can be a very important factor in reaching a settlement of a dispute between the United States and a foreign government. British Airways v. CAB, 563 F.2d 3, 7 (1977).

8/ In its stay request in the court of appeals Pan American presented that issue quite bluntly: "Where does the United States government, through whatever delegation, find its right * * *" to provide in the arbitration agreement that the Phase II order would be withdrawn?

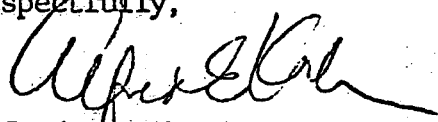
The President (6)

Similarly, Air France's attack on the Phase I order was grounded on the express premise that "the Board itself * * * not the Executive * * * acted illegally * * * in unilaterally wedging regulatory action between two sovereign governments * * *." In other words, according to the French carriers, the Board was an officious interloper, irresponsibly insisting on its own view that France's disapproval of Pan American's change-of-equipment flights breached the U.S.-France air transport agreement. The Board, they argued, was unilaterally trying to force French submission to its independent appraisal of France's action, even as cooler heads in the Department of State were properly trying to negotiate a settlement. 9/

These are typical of the arguments we repeatedly face in Part 213 cases. In other words, a theme common to those cases has been that any Part 213 action by the Board (other than, perhaps, a Phase II order tacitly approved by the President) is improper intervention by a stranger to the dispute and to this Government's response to it.

I respectfully suggest that you write a letter, to be made public by filing in the Pan American case in the court of appeals, which will answer this line of argument once and for all. As I envision it, the letter would state categorically that the Department of State speaks for the Executive Branch in disputes of this kind and that the Board's invocation of Part 213, which is closely coordinated with the Department of State, is part and parcel of this Government's response to the disputed action of a foreign government.

Respectfully,


Alfred E. Kahn
Chairman

9/ This entire line of reasoning ignored the facts. Well before the Board adopted the Phase I order, the Department of State had protested France's disapproval of the Pan American flights as a breach of the U.S.-France bilateral. The Department had also warned the French authorities that Part 213 retaliation would be forthcoming if they persisted in their refusal to admit Pan American's flights.

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THE WHITE HOUSE
WASHINGTON
August 3, 1978

Jerry Rafshoon

The attached is forwarded to you for appropriate handling.

Rick Hutcheson

cc: Tim Kraft
Jody Powell
Anne Wexler

Coalition for Women's Appointments

August 2, 1978

The President
The White House
Washington D.C. 20500

Dear Mr. President:

The Coalition for Women's Appointments deeply regrets the resignation of Midge Costanza. Ms. Costanza has been an energetic leader dedicated to carrying out your expressed concerns regarding women.

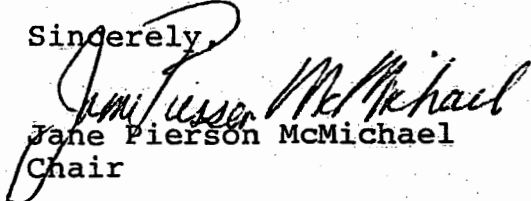
On behalf of the more than 50 women's organizations comprising the Coalition we urge that you reaffirm your commitment to the elimination of discrimination and inequality based on sex. Essential to this commitment is continued strong and innovative leadership in the White House.

We urge that you appoint an articulate, knowledgeable advocate for women in America to succeed Ms. Costanza. We urge further that this woman's responsibilities reflect those described in your July 20th memorandum; namely:

- to focus her efforts on women's issues with particular emphasis on the Equal Rights Amendment and implementation of the International Women's Year Plan of Action;
- to participate in the development of all domestic policy decisions of this Administration as they affect women;
- to assure that you are fully advised of the impact on women of policy decisions, legislation and Federal programs;
- to coordinate the Interdepartmental Task Force on women, established by Section 6 of Executive Order 12050;
- to provide liaison and support for the National Advisory Committee for Women established by Executive Order 12050;
- to monitor and provide frequent and regular reports to you on progress in eliminating unequal treatment of women.

We will be following this process with the greatest concern and attention. We stand ready to assist you in this effort in any way that we can.

Sincerely,


Jane Pierson McMichael
Chair

THE WHITE HOUSE
WASHINGTON

August 3, 1978

Bardyl:

See the attached OMB comment on your memo.

For the reasons Bo Cutter outlines, it is probably better not to ask the President for formal approval of the plans.

I have not, therefore, submitted your memo to him. At the staff level, no one here expressed any objection to the PADC plans.



Rick Hatcheson

1977 Inaugural Committee



July 21, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Bardyl R. Tirana *BRT*

SUBJECT: Pennsylvania Avenue and the Inaugural Parade

The Pennsylvania Avenue Development Corporation (PADC) will soon proceed on plans to build a major new park and plaza complex at the western end of Pennsylvania Avenue between 13th and 15th Streets. This area would be altered to conform to Pierre L'Enfant's original plan for the Nation's Capital. PADC would appreciate any comments you might have before work begins.

As a result of planning begun during the Kennedy Administration, Congress created PADC to restore and improve the Pennsylvania Avenue Corridor. Congress approved a general plan and master budget in 1975. Your Administration took the important step of providing funding for the first two years of actual work. Development is already underway in the vicinity of the Willard Hotel, which PADC purchased in January.

Although the western plaza will require a minor diversion in the Inaugural Parade, it will permit improved coverage by television and still photographers. The visual alignment of the Avenue will remain unchanged. Work on the plaza must begin soon if it is to be completed by the 1981 Inauguration.

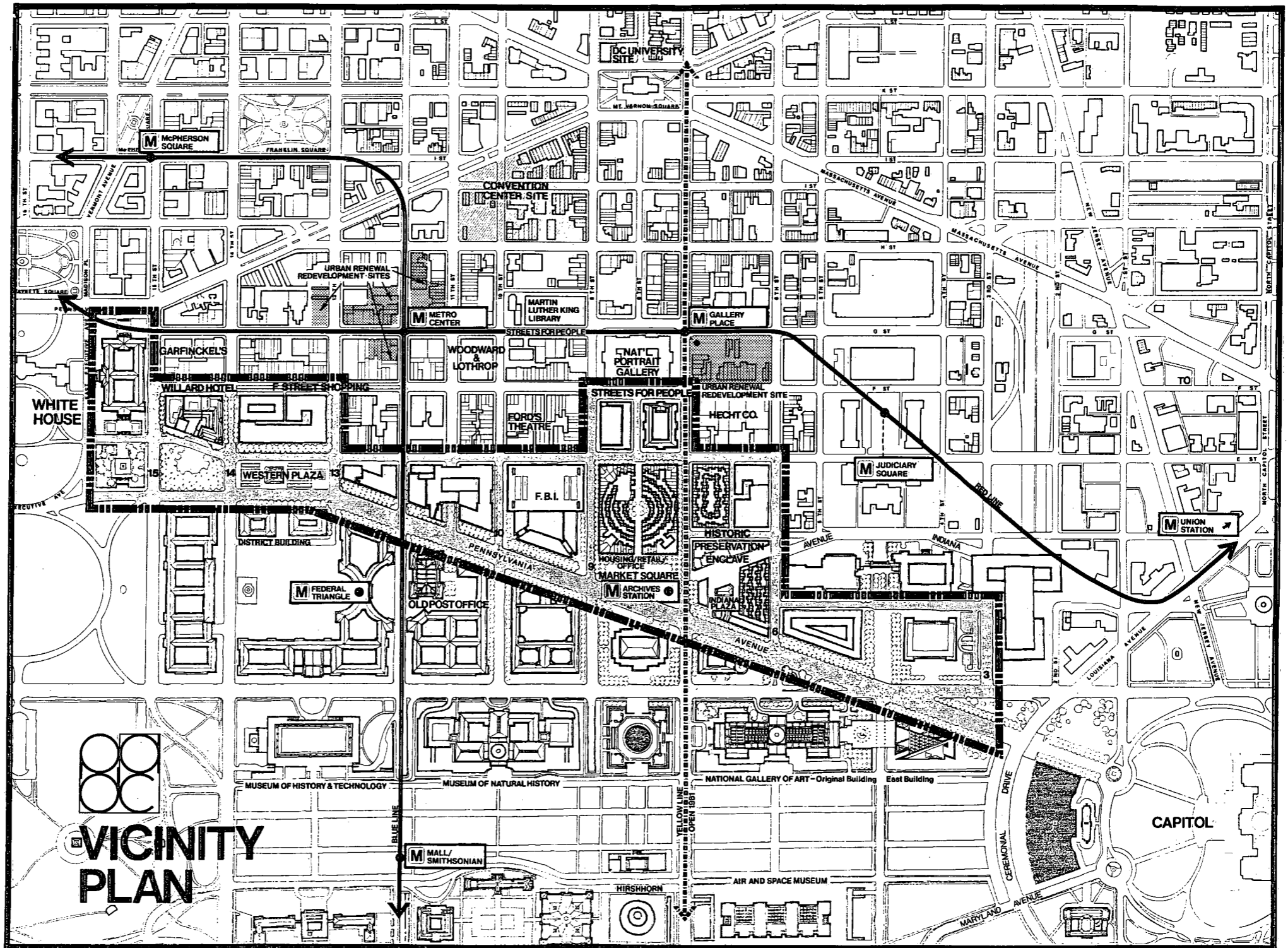
Attached are copies of a map, and of a New York Times article and Washington Post editorial on the project. I have reviewed the plans and find them unobjectionable. I request your authority to advise PADC that you have no objection to work proceeding.

DECISION

No objection to work proceeding: _____

Objection to work proceeding: _____

Second and T Streets S.W., Washington D.C. 20599, (202) 472-4000



VICINITY PLAN

See Preservation Mapbook
for more information

Washington Is Planning an Open Plaza To Ease Pennsylvania Avenue Clutter

By PAUL GOLDBERGER

WASHINGTON

This city, which began to catch up with the rest of the world architecturally with the opening of the East Building of the National Gallery, is now about to take a great leap beyond that. The leap will not be in the form of a building, but an open plaza in the midst of Pennsylvania Avenue. It is a scheme that, if built as presently designed, seems likely to bring to Washington the first truly adventurous piece of modern architecture it has seen in years.

The design is by the Philadelphia firm of Venturi & Rauch, in association with landscape architects, George E. Patton Inc., and it is innovative, handsome, and full of understanding of what an urban plaza should be. Planners have argued for years about what to do with the area of Pennsylvania Avenue between 13th and 14th Streets, toward the western end of the stretch of the avenue that connects the White House and the Capitol. It is now a mess of little traffic islands, and the view to the White House is blocked by the immense Treasury Building on 15th Street.

Old Scheme Abandoned

In the 1960's an atrocious scheme for a vast, empty "National Square" was in the works; that was abandoned years ago, and the Pennsylvania Avenue Development Corporation, the quasi-governmental agency charged with the renewal of the avenue, began to search for something more modest and sensible.

In the Venturi & Rauch scheme, they have found it. What Robert Venturi, the firm's senior design partner, has come up with is a square that both provides a comfortable oasis in midcity and teaches us, with gentle wit, what cities are about. The square — it is a rectangle, actually, created by the redirection of Pennsylvania Avenue traffic — is itself a three-dimensional map of downtown Washington. It is paved in granite, and the pattern of its light and dark stones echoes the streets of Washington as they were laid out by the city's designer, Pierre L'Enfant.

The map includes Pennsylvania Avenue itself, and part of the Mall, which will be covered in grass, like the real Mall, rather than paved. And where the White House and the Capitol fall on the map will be models of these buildings themselves, roughly 15 feet high, in marble.

Little City in Itself

So the plaza will be a little city, a miniature version of official Washington in the midst of the real official Washington. It will be dominated however, not by the map or even by the fairly sizable model buildings, but by immense marble-clad pylons, roughly 75 feet high, that will stand toward the western end of the square.

The slabs — Mr. Venturi calls them pylons — are aligned in such a way as to frame the Treasury building, the classical monolith of the early 19th century that is just down Pennsylvania Avenue from this new square. The Treasury Building broke from L'Enfant's plan and blocked the intended clear view from the Capitol to the White House, but it is a handsome building in itself, and by framing it and intensifying the vista toward it, Mr.

Venturi is paying the building a deserved homage.

The slabs are important for another reason, too. They make the plaza work at large scale, as a monument for the real, full-size city, not just as a little, self-contained place in itself. People who move west on Pennsylvania Avenue by car — which is how most Washingtonians travel — will now have a powerful focus, a sense of a significant view they are driving toward, much as they now do as they drive eastward toward the dome of the Capitol.

Mixture of Moods

The slabs are frankly monumental and grandiose; the rest of the plaza is deliberately gentle and intimate. The mix of moods and scales is a crucial part of the design, for it works at once on the great scale of the city itself and on the smaller scale of the people who will use it.

Scale is one of the hardest aspects of architecture to define, yet this plaza seems to explain the concept better than any phrase could. Scale is not size; it is the relation of sizes to each other and to human size — it is our sense, our feeling, of size, in other words. By creating a miniature Washington via the granite map and the little buildings, the Venturi & Rauch plaza teaches one lesson about scale; by suddenly switching gears and exploding to the full scale of the real city, it teaches another.

Although the plan has been approved by the official bodies in Washington that pass on such designs, the Fine Arts Commission and the National Capital Planning Commission, a certain amount of design work remains to be done. There will be refinements in the details forthcoming, and Mr. Venturi has yet to decide on the specific decoration for the pylons. They will each have a black stripe in the front, enhancing the sense of them as frames; they may get stars and other decorations on the back.

Mr. Venturi's fondness for decoration is well-known, but this idea may be pushing it a bit far. The playfulness of the little buildings, while a wonderful gesture, is probably all the whimsy official Washington should be asked to take, and a more sober design for the pylons would not be out of order. Similarly, the plan to place to immense flagpoles in front of each pylon seems excessive, and may well give this friendly plaza a rather overbearing quality.

Essentially an Urban Square

There will be some trees and a fair amount of seating, but the plaza is emphatically an urban square, not a landscaped park. This is as it should be: Not only does Washington have plenty of trees already, there will be a heavily landscaped park, to be designed by M. Paul Friedberg and Jerome Lindsey, on the block just beside this new square. Seekers of trees, then, will have to go no farther than across the street.

The Pennsylvania Avenue plaza design is a descendant of one of Mr. Venturi's best, but relatively lesser-known designs, a plan that was never executed for Copley Square in Boston. There, Mr. Venturi proposed a dense grove of trees with a pattern of pathways resembling Boston's streets, and a model of Henry Hobson Richardson's

famous Trinity Church, Copley Square's best-known building, in the miniature Copley Square in the middle of the park.

That the Copley Square plan was never built was unfortunate, but the Washington version was worth waiting for: it is a more sophisticated descendant, operating as it does on both the little scale of the miniature city it creates and on the greater, monumental scale of the full-size city. As such, it recognizes the realities of Washington, too — the themes Mr. Venturi is playing with here show that he has taken notice not only of the history of Washington through the L'Enfant map, but of the monumental, often pompous quality of the city's official architecture of the present. The pylons clad in marble poke a bit of fun at all of the stuffiness of formal Washington, and thus help us to see it more clearly not only in literal ways, but in figurative ones as well.

Construction is expected to start next spring on the plaza, although work will begin this summer on the relocation of utility lines to permit the movement of the roadway that now runs across the plaza site. The Pennsylvania Avenue Development Corporation, official sponsor of the plan, expects to reach a decision sometime this autumn on the developer and architect for another major project, the renovation of Washington's famed Willard Hotel, according to William A. Barnes, the corporation's executive director. The Willard is on Pennsylvania Avenue adjacent to the site of the Venturi & Rauch and Friedberg and Lindsey plazas.

FRIDAY, JULY 7, 1978

The Washington Post

New Life for Pennsylvania Avenue

IT STILL TAKES a bit of imagination, but it is beginning to be possible to envision the Pennsylvania Avenue of the future, stretching in a lively and appealing way from the White House to the Capitol. Brick sidewalks, trees and shrubs, benches and newly designed lights are already in front of the new East Wing of the National Gallery of Art. Ground breaking has just taken place at 13th and E streets NW for the first privately financed office building in that area in 10 years. Art galleries and a unique jazz cafe are located in the 7th and E streets section; the only gallery in the city devoted exclusively to photography can be found on Indiana Avenue.

Those are a few of the things that have come to the area since the Pennsylvania Avenue Development Corporation got down to business a year ago. Chartered by Congress in 1972 to enliven Pennsylvania Avenue and to encourage downtown development, the corporation spent its early years in combat with local residents, planners and architects, members of Congress and federal officials. Some favored monuments and federal offices for that part of town, in keeping with the city's role as the nation's capital; others pressed for a modest dressing up, as with main streets in other cities. Finally, the PADC settled on something that may eventually please just about everyone: The area is to have a mixture of commercial, cultural and residential space, as well as small shops, renovated historic buildings, international and na-

tional offices—with special landscaping and lighting throughout.

Development of the area is exciting not only for what now can be seen, but also for what is still to come. By the end of this month, for example, the PADC will have a number of serious projects to renovate, including—would you believe?—the abandoned Willard Hotel, located at the corner of 14th and Pennsylvania. The corporation also expects several bids for the development of the block across from the Willard that includes the National Press Club. Plans for that block will determine the future of the National Theatre—the city's largest and oldest downtown legitimate playhouse. A shopping mall in the former Lansburgh's department store is being considered; art galleries are expected to move into the historic houses at 7th and D streets. The Canadian government will locate its chancery on the avenue, across from the National Gallery. What's more, residential housing, preservation of older and historic sites, and office buildings with activity that could enliven the area after working hours are all on the drawing boards.

All this activity serves not only to rebuild part of downtown but also to add to the allure of the area for new businesses, which, in increasing numbers, are moving here from outside the area. Finally the Pennsylvania Avenue plan is beginning to fulfill the fondest dreams of its designers and supporters, and for this they deserve the city's thanks.

WASHINGTON

DATE: 24 JUL 78

FOR ACTION: STU EIZENSTAT

JACK WATSON *hc*

JIM MCINTYRE - *will compare*
attended

BUNNY MITCHELL *concurs*

SECRETARY ANDRUS *attended*
concur

INFO ONLY: THE VICE PRESIDENT

JODY POWELL

ANNE WEXLER

for summary

SUBJECT: TIRANA MEMO RE PENNSYLVANIA AVENUE AND THE INAUGURAL
PARADE

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 1200 PM WEDNESDAY 26 JUL 78 +
+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

1977 Inaugural Committee



July 21, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Bardyl R. Tirana

BRT

SUBJECT: Pennsylvania Avenue and the Inaugural Parade

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As a result of planning begun during the Kennedy Administration, Congress created PADC to restore and improve the Pennsylvania Avenue Corridor. Congress approved a general plan and master budget in 1975. Your Administration took the important step of providing funding for the first two years of actual work. Development is already underway in the vicinity of the Willard Hotel, which PADC purchased in January.

Although the western plaza will require a minor diversion in the Inaugural Parade, it will permit improved coverage by television and still photographers. The visual alignment of the Avenue will remain unchanged. Work on the plaza must begin soon if it is to be completed by the 1981 Inauguration.

Attached are copies of a map, and of a New York Times article and Washington Post editorial on the project. I have reviewed the plans and find them unobjectionable. I request your authority to advise PADC that you have no objection to work proceeding.

DECISION

No objection to work proceeding: _____

Objection to work proceeding: _____



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

JUL 26 1978

MEMORANDUM FOR: RICK HUTCHESON

FROM: BO CUTTNER *WSC*

SUBJECT: Pennsylvania Avenue and the Inaugural Parade

The Pennsylvania Avenue Development Corporation (PADC) has been in contact with Bardyl Tirana of the 1977 Inaugural Committee (now Director of the Defense Civil Preparedness Agency) concerning a minor change to the inaugural route. In accordance with the approved Pennsylvania Avenue Plan, PADC would fund the construction of the Western Plaza that was initially planned to "function more effectively as a public open space...". The Western Plaza project would cause a half block diversion from the 1977 inaugural route. Funding for the Western Plaza project was included in the 1979 Budget, but recent cost estimates indicate an increase of around 40 percent. However, PADC can defer other projects in order to complete the Western Plaza.

Mr. Tirana has converted PADC's routine coordination of this project into a decision memo for the President to obtain his "authority to advise PADC that you have no objection to work proceeding." We have several problems with this decision memo:

- . The memo is not needed and would be a waste of the President's limited time. The Western Plaza project has been approved in the Plan and funds are available for its construction.
- . The 1977 Inaugural Committee should not have the President's authority to advise PADC since it is a Federal Corporation, and regular, official lines of communication already exist.
- . PADC could interpret the President's approval as a commitment to request additional resources to fund the cost overrun of the current design plan. (PADC's Executive Director agrees that this is not the forum to decide on funding the cost overrun.)

- . PADC will proceed with the Western Plaza project with or without an explicit Presidential decision on this memo; however, PADC is now having to decide between (1) deferring other public improvements, (2) redesigning Western Plaza to reduce the cost overrun, or (3) proposing additional budget requests for the cost overrun.

I suggest that the memo not be sent to the President.



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

July 26, 1978

MEMORANDUM TO THE PRESIDENT

FROM: The Secretary

SUBJECT: Attached Tirana memo and Inaugural Parade

The western plaza discussed in the memo to you from Bardyl R. Tirana is the major open space to be developed by the Pennsylvania Avenue Development Corporation. Its total cost will be some \$25 million. The design for the plaza has been prepared by Venturi & Rauch, noted architects, and has received much acclaim. Its preliminary presentation to the District's Fine Arts Commission was overwhelmingly well received.

I am pleased that Mr. Tirana feels that the plaza will present no hindrance to the parade. I concur in his recommendation that you express no objection to the work proceeding.


CECIL D. ANDRUS

Attachment

WASHINGTON

DATE: 24 JUL 78

FOR ACTION: STU EIZENSTAT

JACK WATSON

JIM MCINTYRE

BUNNY MITCHELL

SECRETARY ANDRUS

INFO ONLY: THE VICE PRESIDENT

JODY POWELL

ANNE WEXLER

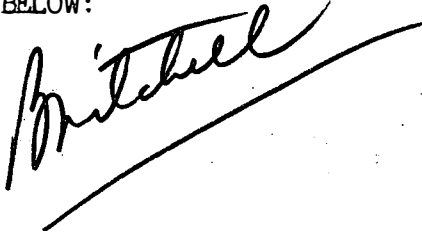
SUBJECT: TIRANA MEMO RE PENNSYLVANIA AVENUE AND THE INAUGURAL
PARADE

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
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ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: (✓) I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:



THE WHITE HOUSE
WASHINGTON

8/4/78

Fran Voorde

The attached is for inclusion in
the trip book.

Rick Hutcheson

cc: Stu Eizenstat
Jack Watson



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D. C. 20201

August 3, 1978

MEMORANDUM FOR THE PRESIDENT

FROM JOE CALIFANO *Joe Califano*

SUBJECT: Background for Your Trip to North Carolina

This memorandum provides some background on three issues that may arise during your trip to North Carolina.

- Smoking. We have asked for \$30 million for the smoking and health effort (as compared with \$174 million for alcohol programs and \$275 million for drug abuse programs). Our anti-smoking effort at HEW has a twin focus:

- Education (one-third of the budget);
- Research (two-thirds of the budget);

Our education effort focuses on children and teenagers:

- Seventy-five percent of all smokers began to smoke and acquire the habit before they are 21;
- More than 100,000 children under the age of 13 smoke regularly, and thousands more are "experimental" smokers;
- Between 1968 and 1974, the number of teenage smokers increased by 50 percent, from 3 million to 4.5 million;
- Since 1968 the percentage of teenage girls who smoke has doubled;
- Every day 4,000 additional teenagers become cigarette smokers.

In addition to cancer, heart and lung research, we will seek to understand why teenagers smoke; how and why nicotine is addictive; the effects of less hazardous cigarettes; whether and to what extent cigarette smoke affects the health of non-smokers; and how smoking interacts with other drugs and with other occupational exposures.

- Desegregation of the Higher Education System. As you know, on May 12, 1978 we accepted North Carolina's desegregation plan, pending submission by December 1, 1978 of additional information on the State's desegregation efforts. Generally, the plan calls for substantially increasing the number of black students at traditionally white institutions, strengthening and ultimately desegregating the State's five traditionally black institutions, and undertaking affirmative action throughout the system to increase the number of qualified black faculty members.

Both Governor Hunt and President Friday were directly involved in the negotiations, are pleased with the agreement, and are supporting its implementation. For the moment, I think we have succeeded in defusing what had been a very hot political situation.

- Funding for Shaw University. Shaw University is a black school in Raleigh, North Carolina. Like many other small private institutions, it is in serious financial difficulty, and it came to HEW seeking additional funds to pay overdue debts. Last year Shaw ran a deficit of approximately \$700,000 on a \$5 million budget. These deficits and Shaw's management and accounting problems raised questions about whether we should continue to provide funding.

This past Tuesday, I announced in a speech to the National Medical Association that we will release, on a monthly basis, the \$3.5 million awarded to Shaw for the next academic year. A special task force is working with Shaw to develop an orderly and financially sound schedule of payments from the Federal government.

While I emphasized in the speech this Administration's strong support for traditionally black institutions and the unique role they play, I clearly indicated that these schools -- as well as many white schools -- were going to continue to face serious problems, and that it is far from clear that the Federal government will be able or willing to keep all of them afloat. I also emphasized the need for Shaw and other schools to put their house in order, and indicated that the Federal government would expect these institutions to make a serious commitment to upgrading their management.